

# **Indiana Long Term Care Insurance Program**

## **Quarter 2-2007 Report**

April 1, 2007 through June 30, 2007



**Completed on August 20, 2007**

## **QUARTERLY SUMMARY REPORT – INDIANA**

	<b>QUARTER 2-2007</b>	<b>TO DATE</b>
<b>Applications Received:</b>	<b>926</b>	<b>48,805</b>
<b>Applications Denied:</b>	109	7,470
Applications Pending & Withdrawn:	N/A	172
<b>Policies Purchased:</b>	<b>663</b>	<b>41,163</b>
Policies Dropped (voluntarily & for unknown reasons*):	105	4,177
Policies Not Taken Up: (dropped within 30 day free look period)	12	2,332
<b>Total Policies In Force (active):</b>	<b>N/A</b>	<b>33,669</b>
Policyholders Who Received Service Payments:	<b>161</b>	<b>471</b>

*\* Does not include drops reported as deaths, rescissions or exhausted benefits.*

**Indiana Long Term Care Insurance Program:  
Statistics for Quarter Ending June 30, 2007  
In Comparison To Cumulative Program Statistics**

	<b>Quarter ending 06-30-07</b>	<b>Cumulative as of 06-30-07</b>
<b>Total Policies Purchased</b>	663	41,163
<b>Total Policies Dropped *</b>	<u>172</u> Died 51 (29.7%) Voluntarily 47 (27.3%) Unknown 58 (33.7%) Not Taken Up 12 (7%) Exhausted Benefits 3 (1.7%) Converted 0 (0%)	<u>7,494</u> Died 855 (11.4%) Voluntarily 1,906 (25.4%) Unknown 2,271 (30.3%) Not Taken Up 2,332 (31.1%) Converted 77 (1%) Exhausted Benefits 50 (0.7%) Rescission 2 (<1%)
<b>Policies Not Taken Up During 30 Day Free Look</b>		
<b>Policies in Force</b>	N/A	33,669

*\*Does not include exhausted or rescissions.*

***This information was based on quarterly and cumulative policies in force.***

<b>Nursing Home and Home Care Policies.</b>	649 (97.9%)	30,146 (89.5%)
<b>Nursing Home Only Policies</b>	14 (2.1%)	3,523 (10.5%)
<b>First Time Purchasers</b>	648 (97.7%)	31,911 (94.8%)
<b>Upgrades or Replacements</b>	15 (2.3%)	1,758 (5.2%)
<b>Individual</b>	636 (95.9%)	32,090 (95.3%)
<b>Group Certificates</b>	1 (0.2%)	290 (0.9%)
<b>Organization Sponsored</b>	26 (3.9%)	1,289 (3.8%)
<b>Male</b>	285 (43%)	14,513 (43.1%)
<b>Female</b>	378 (57%)	19,156 (56.9%)
<b>Married</b>	554 (83.6%)	26,445 (78.5%)
<b>Not Married</b>	107 (16.1%)	6,862 (20.4%)
<b>Unknown</b>	2 (0.3%)	358 (1.1%)
<b>Civil Union or Domestic Partner</b>	0 (0%)	2 (<1%)

# INDIANA LONG TERM CARE INSURANCE PROGRAM

## Statistical Summary

**Period: April 1, 2007 – June 30, 2007**

Report Prepared 08-20-2007

The Indiana Long Term Care Insurance Program (ILTCIP) is an innovative public/private partnership between the Indiana Medicaid Program and private long term care insurance companies, designed to help Indiana residents finance their potential long term care without fear of impoverishment. The Program began operation on May 17, 1993, with state approval of the first eight participating insurers. Actual marketing of Indiana Partnership policies by these companies began later that summer.

This report presents information for the quarter ending June 30, 2007, in the form of quarterly-specific and cumulative statistics since the Program's inception.

Highlights from this quarter include the following:

- **Policies purchased during this quarter was 663!**
- **Cumulatively, 48,805 applications have been submitted with over 41,000 policies purchased!**
- **Comprehensive policies continue to be the primary type of policy being purchased.** For example, 98% of all policies purchased in Q2'07 were comprehensive while only 2% were for nursing home only.
- Cumulatively, the number of comprehensive policies purchased has increased from 87% of all sales in (Q2'06) to 90% of all sales in (Q2'07).

**86% of policies purchased during Q2'07 qualify for Total Asset Protection. Cumulatively, 76% of all policies purchased qualify for Total Asset Protection.**

- **95% of all policies purchased have been by first time purchasers.**
- **The average age of policy purchasers is 60.54. Age range of purchasers is 18 to 89.**
- **Cumulatively, 75% of all policyholders were age 65 or under at the time of purchase.**

**Indiana Long Term Care Insurance Program**  
**Fact Sheet For Quarter 2, 2007**

**PARTICIPATING COMPANIES:**

Allianz-Individual: Tax Qualified  
Bankers Life and Casualty – Individual: Tax Qualified  
CUNA Mutual Life Insurance Company  
CNA –Group: Tax Qualified  
Genworth – Individual: Tax Qualified  
John Hancock – Individual: Tax Qualified  
Life Investors – Individual: Tax Qualified  
MedAmerica – Individual & Group: Tax Qualified

Metropolitan Life - Individual: Tax Qualified  
Monumental Life – Individual: Tax Qualified  
Mutual of Omaha – Individual: Tax Qualified  
Penn Treaty Network America - Individual  
State Farm – Individual: Tax Qualified  
Transamerica Occidental:Tax Qualified  
United Teachers Associates Insurance Company

Fifteen companies provided data during Quarter 2, 2007.

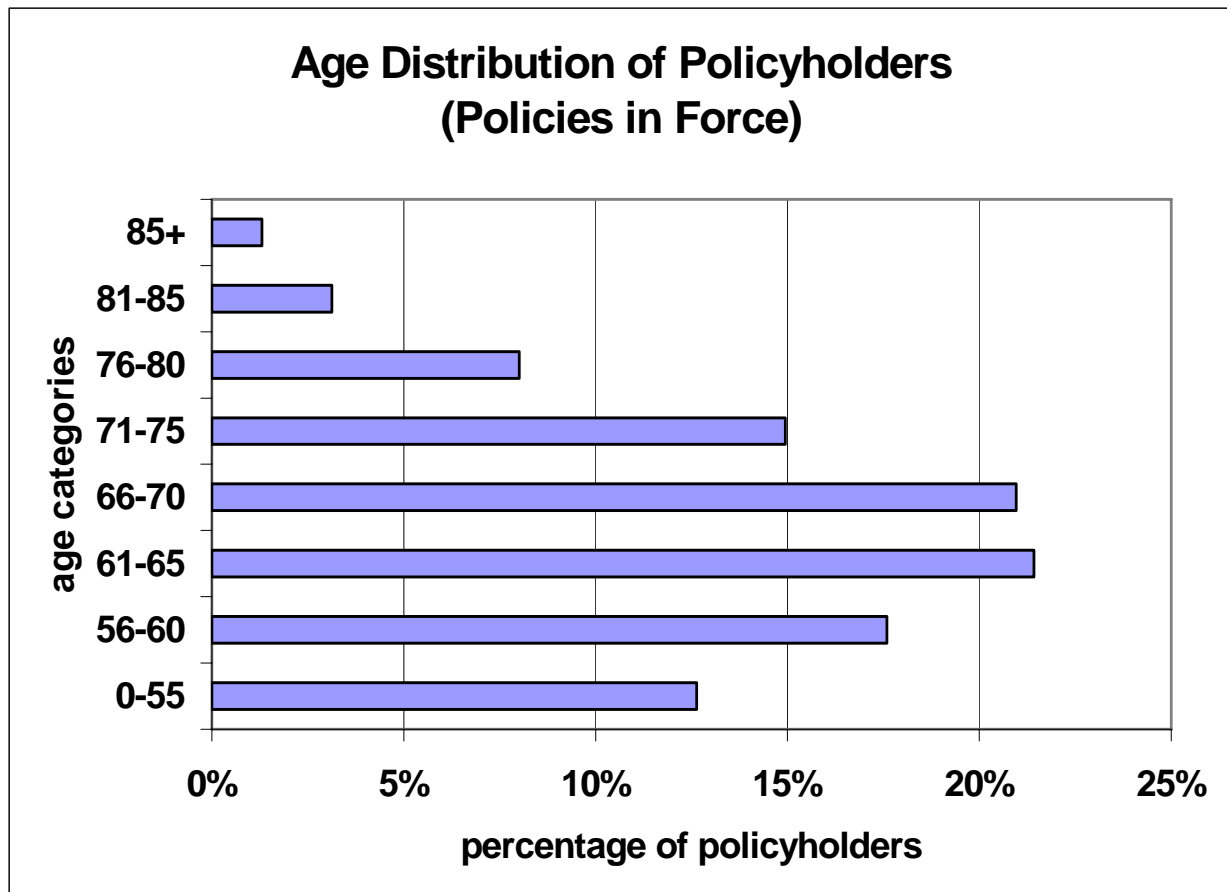
## Age Distribution of Partnership Policyholders at Time of Purchase

Age Range    Average Age

<b>Policy Category</b>	<b>Low</b>	<b>High</b>	
Individual Policyholders	18	89	60.80
Group Certificate holders	23	73	49.54
Organization Sponsored	19	84	56.65
All Insured	18	89	60.54

## **Age Distribution of Policyholders (Policies in Force)**

<b>Age Category</b>	<b>Percentage of Policyholders</b>
85+	1.31%
81-85	3.13%
76-80	8.01%
71-75	14.94%
66-70	20.96%
61-65	21.42%
56-60	17.60%
0-55	12.63%



**Nursing Home Per Diem Amounts (Policies in Force):**

Average Amount:     \$130.79

Mode: \$150.00 (10.46% of all purchasers)

**Home Care Per Diem Amounts (Policies in Force):**

Average Amount:     \$119.75

Mode: \$150.00 (9.66% of all purchasers)

**Elimination Periods (Policies in Force):****Nursing Homes:**

0 days	1,766 (5.25%)
9 days	1 (<1%)
15 days	47 (0.14%)
20 days	992 (2.95%)
30 days	5,308 (15.77%)
45 days	592 (1.76%)
50 days	1,796 (5.33%)
60 days	1,300 (3.86%)
90 days	11,062 (32.86%)
100 days	10,190 (30.27%)
120 days	2 (0.01%)
180 days	613 (1.82%)

**Home and Community Care:**

0 days	11,985 (39.69%)
10 days	3 (0.01%)
14 days	231 (0.77%)
15 days	30 (0.10%)
20 days	804(2.66%)
30 days	4,093 (13.56%)
45 days	587 (1.94%)
50days	25 (0.08%)
60 days	921 (3.05%)
90 days	7,438 (24.63%)
100 days	3,552 (11.76%)
180 days	526 (1.74%)

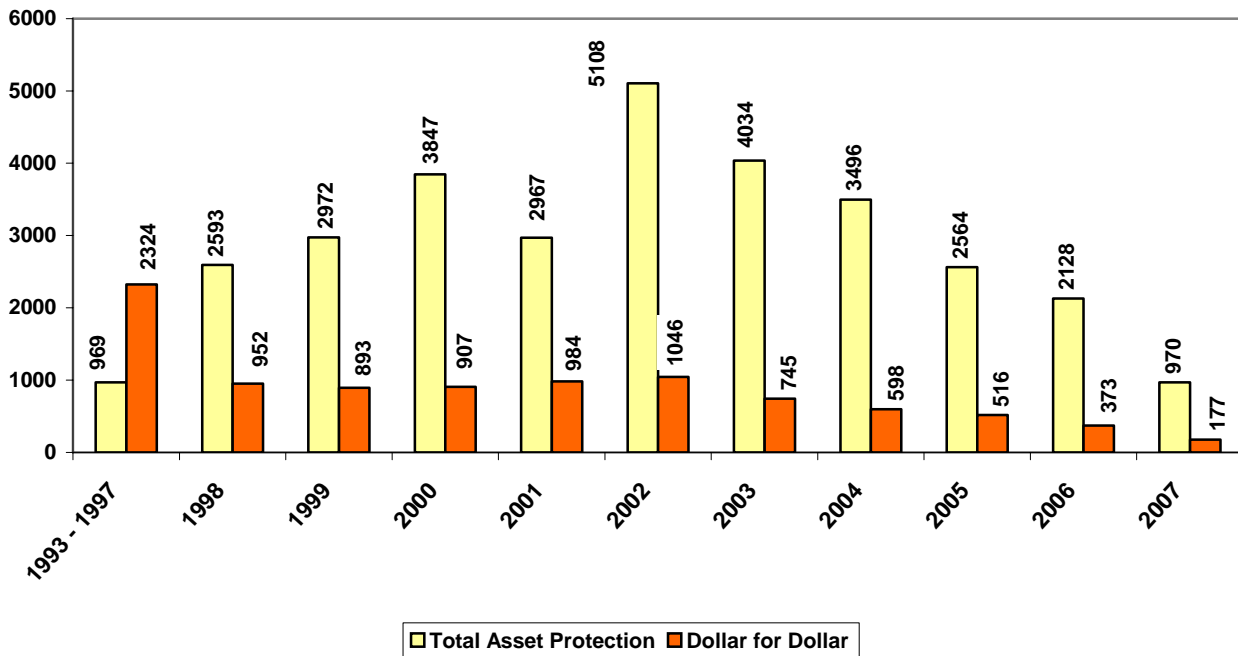
**Riders:**

Non-Forfeiture	142	(0.34%)
Other Riders	789	(1.93%)
Restoration of Benefits	431	(1.05%)
Spousal Benefit Enhancement	563	(1.37%)

### Asset Protection Type at Initial Policy Purchase By Policy Effective Date

<b>Quarter 2-2007</b>	<b>Cumulative at Time of Purchase</b>
Policies Purchased by Quarter	663
Policies Purchased by Cumulative	41,163
Total Asset Protection by Quarter	568
Total Asset Protection by Cumulative	32,063
Dollar for Dollar by Quarter	73
Dollar for Dollar by Cumulative	9,105

**Asset Protection Type at Initial Purchase**



\*Total Asset Protection became available 3-12-98 & grand fathered in those policies with coverage at initial purchase equal to or greater than state-set-dollar amount for 1998.



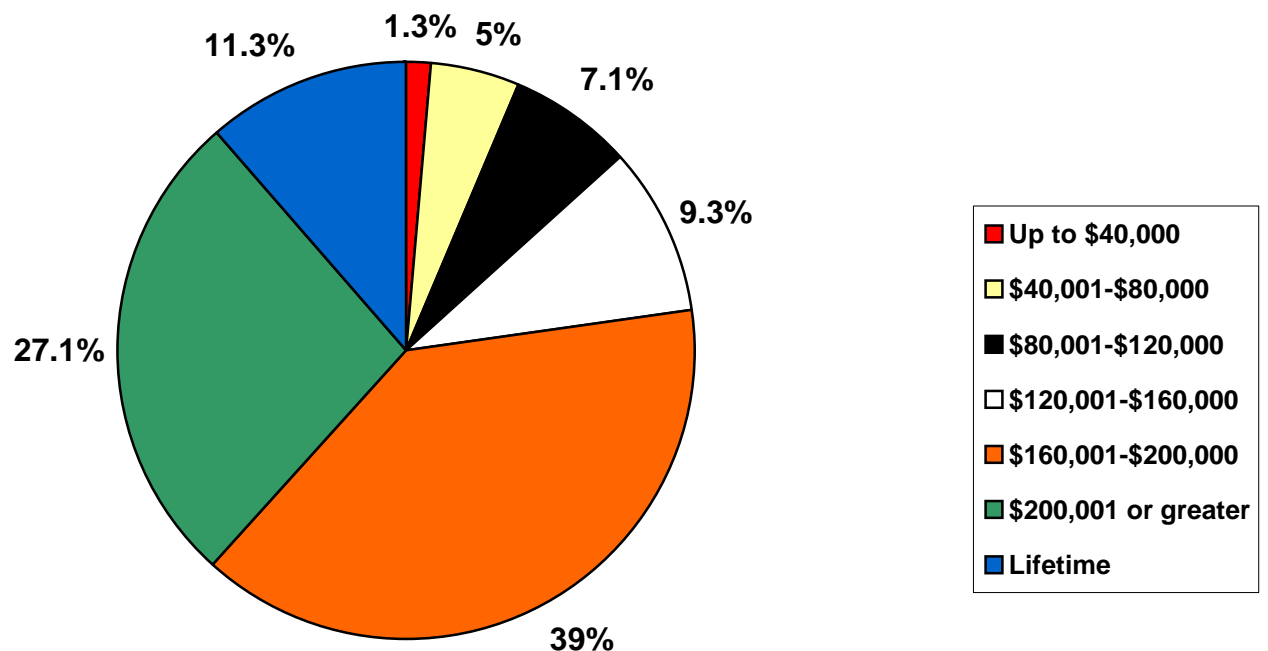
### Maximum Policy Amount of Policies in Force:

**Range:** \$21,977 - \$6,504,300 (plus 3,748 lifetime policies)

**Average amount:** \$187,969 (not including lifetime policies)

### **Maximum Benefit Amounts Selected By All Purchasers (Policies in Force)**

Maximum Benefit Amount at Time of Purchase	All Purchasers
Up to \$40,000      Approx: (1 yr)	430 (1.3%)
\$40,001 - \$80,000      (2 yrs)	1,689 (5%)
\$80,001 - \$120,000      (3 yrs)	2,388 (7.1%)
\$120,001 - \$160,000      (4 yrs)	3,127 (9.3%)
\$160,001 - \$200,000      (5 yrs)	13,120 (39%)
\$200,001 or greater      (6 yrs +) (excluding lifetime)	9,118 (27.1%)
Lifetime Policies	3,797 (11.3%)



## Policyholders in Benefit Information as of June 30, 2007

### Benefit Status

Number of policyholders, to date, who have received benefit payments.	471
Number of policyholders in benefit as of Quarter 2, 2007.	161
Number of policyholders that received benefits and have died.	146

Asset protection earned by policyholders to date.	\$20,887,687.27
Asset protection earned to date that will not be accessed (policyholders who have died)	\$3,727,370.44

### Service Utilization

<b>Type of Service*</b> (other than case management)	<b>% of Total Claimants by Type of Service **</b>
Nursing Home Care	70.96%
Home Health Aide – hourly care	6.11%
Home Health Aide – daily care	10.04%
Attendant Care	0.44%
Other Institutional	0%
Hospital Bed Hold	14.85%
Assisted Living	20.31%
Adult Day Care	2.18%
Personal Care	6.55%
Alternate Level of Care	0.87%

\*These categories are not mutually exclusive, therefore, percents shown will not total 100.

\*\*This is the cumulative status of all claimants. The status and percent (%) will change as the claimant's status changes.

**CLAIMANT PROFILE**  
**Cumulative Aggregate of All Policyholders Who Used Benefits**  
**As of June 30, 2007**

Gender	Female	66.5%
	Male	33.5%
Marital Status	Not Married	43%
	Married	52.8%
	Unknown	5%
Average Age At The Time Of Policy Purchase		60.09
Average Age At The Time Of Claim		77.08
Age Range At Time Of Claim	Range =	44 – 96
	Mean =	77.08
	Median =	78
Policy Type Owned:	Nursing Home Only	26.8%
	Nursing Home & Home Care	73.5%

Average time elapsed between purchase date and claim date was 71.71 months (5.9 years)